



INSIGHTS

107th Congress

December 10, 2001

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INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

I. WEEKLY SUMMARY

HOUSE

The Subcommittee on Energy and Air Quality (Committee on Energy and Commerce) will hold one to two hearings this week on electric utility restructuring.

SENATE

No activities of interest have been scheduled for this week.

CONFERENCE COMMITTEES/VOTES

No conference committee meetings have been announced.

CONTINUING RESOLUTION

Continuing Resolution Eight of the 13 annual appropriations bills have been signed into law and the five remaining bills are either pending Congressional action or signature by the President. On December 7, the President signed *P.L. 107-79 - the Sixth Continuing Resolution* to keep those Federal programs without FY 2002 appropriations bills operational through December 15. Two of the five bills of interest include:

H.R. 3338/S ____ – Defense Appropriations – The full House passed *H.R. 3338* on November 28 and the Senate Committee on Appropriations passed its unnumbered bill on December 4. The Senate has added funding beyond the President's request and is subject to a veto if the additional funding survives conference negotiations. This bill provides funding for general military construction projects.

H.R. 3061/S. 1536 – Labor, Health and Human Services, and Education Appropriations – The House passed its bill on October 11 and the Senate passed its version on November 11. Conference committee negotiations are pending. This bill provides funding for the building and construction accounts for the Departments of Labor and Health and Human Services.

H.R. 2299/S.1178 (Conference Report - H. Rpt. 107-308) – Transportation and Related Agencies Appropriations – The conference report was passed by the House on November 30 and the Senate on December 4; the bill is pending the President's signature. The bill provides funding for U.S. Coast Guard shore facility projects.

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II. COMMITTEE ACTIVITY

HOUSE

On December 5, Joe Barton (R/TX) introduced *H.R. 3406 – Electric Supply and Transmission Act*. Representative Barton chairs the Subcommittee on Energy and Air Quality under the Committee on Energy and Commerce. For a summary of the bill, refer to section III. New Legislation.

SENATE

Comprehensive Energy Legislation – Last week, Jeff Bingaman (D/NM), Chairman of the Committee on Energy and Natural Resources introduced *S. 1766 – Energy Policy Act of 2002* on December 5. Majority Leader Tom Daschle (D/SD), a co-sponsor of the bill, has stated that he intends to by-pass action at the committee level and bring the bill directly to the Senate floor by February 18, 2002 (President's Day). After the bill was introduced, Senator Daschle said, "Increased exploration alone is not the answer." The bill, which has been widely criticized by lead Senate Republicans including Frank Murkowski (R/AK) because the Democratic proposal does not include provisions permitting drilling for oil and gas in the Arctic National Wildlife Refuge. The House bill, *H. R. 4 – Securing America's Future Energy Act* encourages drilling; the House passed *H. R. 4* in August. The Senate bill, which supports a renewable portfolio standard and a variety energy-efficiency measures is profiled in section III. New Legislative Initiatives.

Corporate Average Fuel Economy (CAFE) Standards On December 6, the Committee on Commerce, Science and Transportation held a hearing on increasing CAFE standards in which testimony was provided by representatives of the auto industry and the United Auto Workers, the Sierra Club, the Union of Concerned Scientists, Senators Dianne Feinstein (D/CA) and Olympia Snowe (R/ME), Congressman Boehlert (R/NY), among others. In his opening statement, Ranking Member John McCain (R/AZ) said that it "is imperative that the Commerce Committee examine this issue in a comprehensive manner and formulate a balanced approach that achieves better fuel economy while at the same time providing consumers with choice and enhancing vehicle performance, without compromising passenger safety." *S. 1766* is expected to include language on increased CAFE standards to be provided by the Committee on Commerce, Science and Transportation.

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STATUS OF FY 2002 APPROPRIATIONS BILLS

(In Billions)

HOUSE

SENATE

<i>Jurisdiction/ FY 2002 Budget Request/Final Funding Level</i>	<i>302(b) Allocations</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf. Report Passed</i>	<i>302(b) Allocations</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf. Report Passed</i>
Agriculture \$ 15.409 \$75.794 * P.L. 107-76	\$ 15.519	H.R. 2330	June 13	July 13	Nov. 13	\$ 16.092	S. 1191	July 17	Oct. 25	Nov. 15
Commerce \$ 37.944 \$41.635 P.L. 107-77	\$ 38.541	H.R. 2500	July 13	July 19	Nov. 14	\$38.760	S. 1215	July 19	Sept. 13	Nov. 15
Defense \$300.962	\$300.292	—	Oct. 24	Nov. 28		\$298.568	---	Dec. 4	Dec. 7	
Energy and Water Development \$ 2.517 P.L. 107-66 \$25.086	\$ 23.704	H.R. 2311	June 25	June 28	Nov. 1	\$ 25.129	. 1171	July 12	July 19	Nov. 1
Interior \$ 18,092 P.L. 107-63 \$19.708	\$ 18.941	H.R. 2217	June 13	June 21	Oct. 17	\$ 18.527	H.R. 2217	June 28	July 12	Oct. 17
Labor / HHS \$115.682	\$119.758	H.R. 3061	Oct. 9	Oct. 11		\$119.000	S. 1536	Oct. 11	Nov. 6	
Military Construction \$ 9.650 P.L. 107-64 \$10.5	\$ 10.155	H.R. 2904	Sept. 20	Sept. 21	Oct. 17	\$ 9.649	S. 1460	Sept. 25	Sept. 26	Oct. 18
Transportation \$ 14.891	\$ 14.893	H.R. 2299	June 20	June 26	Nov. 30	\$ 15,579	S. 1178	July 12	August 1	Dec. 4
Treasury \$ 16.488 P.L. 107-67 \$32.493	\$ 16.880	H.R. 2590	July 17	July 30	Oct. 31	\$ 16.972	S. 1398	July 26	Aug 2	Nov. 1
VA/HUD \$ 83.683 P.L. 107-73 \$112.7	\$ 84.159	H.R. 2620	July 17	July 31	Nov. 8	\$ 84.053	S. 1216	July 19	August 2	Nov. 8

* Total includes discretionary and non-discretionary funding .

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III. NEW LEGISLATION

HOUSE

Number	Short title	Date	Sponsor	Status
H.R. 3406	<i>Electric Supply and Transmission Act</i>	December 5	Joe Barton (R/TX) <i>Committee on Energy and Commerce, Subcommittee on Energy and Air Quality, Chairman</i>	Referred to the Committees on Energy and Commerce, Transportation and Infrastructure, and Resources.
	Key Provisions:	Removes barriers to the development of competitive markets; provides for the reliability and increased capacity of the United States' transmission networks; requires the establishment of reasonable and appropriate technical interconnection standards; establishes minimum Federal standards for state and other net metering programs; repeals the <i>Public Utility Holding Company Act of 1932</i> and requires Federal and state access to books and records; repeals section 210 of the <i>Public Utility Regulatory Policies Act of 1978</i> so that no electric utility is required to enter into a new contract or obligation to purchase or sell electric energy or capacity under this section; establishes standards for regional transmission organizations; includes provisions for open access for all transmitting utilities; repeals certain provisions of the <i>Federal Power Act</i> regarding disposition of property, consolidation, and purchase of securities; includes consumer protections against unfair trade practices and consumer privacy provisions; establishes that this Act will not override state and municipality authority to impose public purpose charges to fund assistance for low-income retail electric service, to encourage environmental, emerging energy technology, energy efficiency, or energy conservation programs, and for other purposes.		
H.R. 3426	<i>Federal Emergency Procurement Flexibility Act of 2001</i>	December 6	Tom Davis (R/VA) <i>Committee on Energy and Commerce; Committee on Government Reform</i>	Referred to the Committee on Government Reform
	Key Provisions:	Provides increased flexibility government wide for the procurement of property and services to facilitate the defense against terrorism, including use of streamlined procedures during FY 2002 and FY 2003 for an acquisition of property or services that would facilitate the defense against terrorism or nuclear, biological, chemical, radiological, or technical attack on the U.S. or U.S. national security system., and for other purposes.		

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SENATE

Number	Short title	Date	Sponsor	Status
<i>S. 1766</i>	<i>Energy Policy Act of 2002</i>	December 5	Thomas Daschle (D/SD) and Jeff Bingaman (D/NM)	Read the second time and placed on Senate Legislative Calendar under General Orders.
Key Provisions:	<u>FEDERAL ENERGY EFFICIENCY</u> Revises energy performance standards to require that energy consumption per gross square foot of Federal buildings be reduced by two percent beginning in calendar year 2002, increasing to 20 percent by 2011; requires Federal buildings to be metered or sub-metered by October 1, 2004, and that, by October 1, 2003, each Federal agency shall use, to the maximum extent possible, real-time electricity consumption data to reduce energy costs and consumption; requires the DOE Secretary to establish revised Federal building performance standards; requires Federal agencies to purchase energy-efficient products; establishes that savings resulting from reduced costs of operation and maintenance at replacement facilities may be counted under an ESPC; amends the <i>National Energy Conservation Policy Act</i> to repeal the sunset of ESPCs; expands the definition of ESPCs to include reduction in water costs; permits the use of ESPCs for replacement facilities; requires that the DOE Secretary review the ESPC program and report to Congress any obstacles that prevent Federal agencies from fully using the program; authorizes the establishment of a Federal Energy Bank within the U.S. Treasury to provide Federal agencies with loans to cover the costs of energy efficiency projects; requires the establishment of an energy and water conservation strategy for Congressional buildings.			
	<u>ELECTRICITY</u> Amends the <i>Federal Power Act</i> to require the establishment of transmission interconnection standards, electric reliability standards, just and reasonable market-based rates, access to transmission by intermittent generators, and other purposes. Repeals the <i>Public Utility Holding Company Act of 1932</i> . Establishes the following requirements: Federal and state access to books and records; exemption authority; establishment of the inter-agency Electric Energy Market Competition Task Force, which will perform a study and analysis of the protection and promotion of competition within the wholesale and retail market for electric energy in the U.S.; requires GAO to conduct a study on the success of the Federal Government and states during the 18 month period following the enactment of this subtitle. Amends the <i>Public Utility Regulatory Policies Act of 1978</i> to include the following: real-time pricing standard; adoption of additional standards including simplified standard contracts for interconnection of generating facilities that have a maximum power production capacity of 250 kilowatts, interconnection for distributed generation to the distribution grid, and net metering for renewable energy and fuel cells . Provides consumer protections including the following: information disclosure to electric consumers, consumer privacy, prohibition of “slamming” and “cramming” in electricity sales to consumers, and other purposes. Includes provisions for renewable energy and rural construction incentives including the following: reauthorization and reform of renewable energy production incentive program available to municipal and cooperative utilities that produce electricity from renewable energy resources; assessment of renewable energy resources; Federal purchase requirement mandating that not less than 3 percent of the total electricity purchased by the Federal Government in FY 2002 be generated from a renewable energy resource, increasing to 7.5 percent by FY 2010; establishment of a			

Number	Short title	Date	Sponsor	Status
	<p>renewable portfolio standard; requirement that the Secretary of Interior develop a pilot program for the development of wind and solar energy on Federal land.</p> <p><u>VEHICLE FUEL EFFICIENCY</u></p> <p>Includes reserved section for statutory language on increased fuel efficiency to be provided by the Senate Committee on Commerce, Science, and Transportation. Establishes provisions for fuel economy of the Federal fleet, including the following provisions: the establishment of a baseline fuel economy for each Federal agency; and a requirement that not later than September 30, 2003, the average fuel economy of the new automobiles in agency fleets be not less than 1 mile per gallon higher than the baseline average fuel economy, to increase to not less than 3 miles per gallon higher than the baseline by September 30, 2005. Establishes the National Motor Vehicle Efficiency Program within DOE to provide grants to states to carry out incentive programs to retire fuel-inefficient motor vehicles.</p> <p><u>ALTERNATIVE AND RENEWABLE FUELED VEHICLES</u></p> <p>Requires that by September 30, 2003, Federal fleets with alternative fuel capacity use alternative fuels for at least 50 percent of the total annual volume of the fuel used in such vehicle, increasing to 75 percent of the total volume of fuel used by 2005. Allows state highway agencies to permit alternative fuel vehicles to use HOV lanes; authorizes EIA to collect data on the production and consumption of renewable fuels; establishes a green school bus pilot program; authorizes a fuel cell bus development and demonstration program; amends the <i>Energy Policy Act of 1992</i> to allow biodiesel fuel use credits to be counted as alternative fuel fleet credits; requires EPA to mandate an increase in the amount of renewable fuel blended with gasoline; amends the <i>Energy Policy Act of 1992</i> to include zero-emission, low-speed electric vehicles in the definition of alternative fuel vehicles.</p> <p><u>INDUSTRIAL EFFICIENCY AND CONSUMER PRODUCTS</u></p> <p>Requires the Federal Trade Commission to consider the effectiveness of current consumer products labeling and consider making improvements; establishes statutory authority for the DOE and EPA ENERGYSTAR® Program; establishes energy conservation standards for central air conditioners and heat pumps and additional consumer and commercial products; authorizes a consumer education program on the energy savings benefits of air conditioning, heating, and ventilation maintenance.</p> <p><u>ENERGY EFFICIENCY RESEARCH AND DEVELOPMENT</u></p> <p>Authorizes funding from FY 2003 to FY 2006 for DOE energy-efficient housing, industrial energy efficiency, and transportation energy efficiency programs; authorizes funding for the Energy Efficiency Science Initiative, a joint program between the DOE Assistant Secretary for Energy Efficiency and Renewable Energy and the Office of Science; establishes within DOE a Next Generation Lighting Initiative to research, develop, and demonstrate activities on advanced solid-state lighting technologies based on white light emitting diodes.</p> <p><u>RENEWABLE ENERGY RESEARCH AND DEVELOPMENT</u></p> <p>Authorizes funding from FY 2003 to FY 2006 for DOE wind power, photovoltaics, solar thermal, biomass and biofuel, geothermal, hydrogen, hydropower, and electric energy systems and storage programs; authorizes biopower energy systems and biofuels programs.</p>			

Key**Provisions:** **ENERGY INFRASTRUCTURE SECURITY**

Authorizes the DOE Secretary to establish programs that provide financial, technical, or administrative assistance to enhance the security of critical energy infrastructure within the U.S.; establishes an Advisory Committee on Energy Infrastructure to advise the DOE Secretary on policies and programs related to the security of the U.S. energy infrastructure; authorizes the DOE Secretary, in consultation with the aforementioned advisory committee, to assist in the development of industry best practices and standards for energy infrastructure security.

CLIMATE CHANGE

Includes a “Sense of Congress” that the U.S. should “demonstrate international leadership and responsibility in mitigating the health, environmental, and economic threats posed by global warming...” Establishes a National Office of Climate Change Response in the Executive Office of the President to develop a U.S. climate change response strategy; establishes an interagency task force to serve as the primary mechanism through which the heads of Federal agencies work together to develop and implement national climate change policy; establishes a review board to monitor the development and implementation of the national climate response strategy; authorizes the establishment of other offices within Federal agencies as necessary to carry out provisions of this title.

GREENHOUSE GAS DATABASE

Requires that the Interagency Task Force (mentioned above) and the Secretary of Commerce establish a National Greenhouse Gas Database to include information on greenhouse gas emissions by entities located in the U.S.; establishes an Interagency Task Force of Greenhouse Gas Database composed of the Secretaries of Energy, Agriculture, Interior, Commerce, and Transportation, and the Administrator of the EPA, the Director of the Office of Science and Technology Policy in the Executive Office of the President, the Director of the National Office of Climate Change Response in the Executive Office of the President, and the Chairman of the Council on Environmental Quality; the chair of the task force shall alternate every two years between the Secretary of DOE and the Administrator of EPA; requires the Chair of the Interagency Task Force, in cooperation with the National Institutes of Standards and Technology, to develop and promulgate measurement and verification technologies for greenhouse gas emissions and emission reductions.

ENERGY EFFICIENCY AND ASSISTANCE TO LOW INCOME CONSUMERS

Increases funding for Low Income Home Energy Assistance Program, weatherization assistance, and state energy grants; provides annual authorization for state energy conservation programs through FY 2005; establishes within DOE the High Performance Schools Program to assist school districts in improving energy efficiency of school buildings; establishes a low income community energy efficiency pilot program.

IV. ADMINISTRATION INITIATIVES

Comprehensive Energy Legislation On December 6, Secretary Abraham issued the following statement regarding S. 1766 –*Energy Policy Act of 2002*:

Although I'm disappointed that energy legislation won't be passed this year, I take Senator Daschle at his word that the Senate will act on it in January. In addition to a Senate floor vote on energy, it is important that a conference committee also complete its work and legislation be enacted as soon as possible.

The Senate Democratic bill is a good first step. In order to achieve more balanced legislation, the Senate should consider serious proposals to increase domestic exploration and production of oil and gas. But I am encouraged by the common ground between the Democratic legislation, the President's National Energy Plan and the House-passed bill. Where there are areas of disagreement, the only fair way to resolve those issues is to take an up or down vote. I would urge the Senate to adopt time agreements on those measures and get the job done.

Electric Advisory Board Established Last week, Secretary Abraham also announced that 39 individuals have been named to the newly created DOE Electricity Board. The purpose of the board is to address all issues associated with the electric utility industry; the board was chartered by the *Federal Advisory Committee Act* on November 9, 2001, and includes:

- Ms. S. Marce Fuller, President and CEO of Mirant, *Chair*
- Dr. E. Linn Draper, Chairman of the Board and CEO of American Electric Power Co., Inc., *Vice Chair*

To view the full membership of the new board, visit the DOE web site at www.energy.gov/press/sub/hqreleases.html; select qw-q0-0q press release "Energy Secretary Names Electricity Advisory Board."

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V. HEARINGS SCHEDULE

HOUSE – APPROPRIATIONS

No new hearings, mark ups, or votes have been scheduled.

HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
December 12 and 13 – Subcommittee on Energy and Air Quality (Committee on Energy and Commerce)	Joe Barton (R/TX)	Hearings – Electricity Utility Restructuring (transmission and supply)	TBA	December 12 – 1:00 p.m. December 13 – 9:30 a.m. Room 2123 Rayburn Office Building

SENATE – APPROPRIATIONS

No new hearings, mark ups, or votes have been scheduled.

SENATE – AUTHORIZATIONS/OVERSIGHT

No new hearings, mark ups, or votes have been scheduled.

CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

No new meetings or votes have been scheduled.

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